



# **Nasdaq Victory Dividend Accelerator Dividend Point Index**

## **Index Methodology**

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# 1. INTRODUCTION

Nasdaq hereinafter referred to as the Index Owner, owns the index Nasdaq Victory Dividend Accelerator Dividend Point Index (the “Index”). The Index Owner is also the index provider (“Index Provider”) and the index calculator (“Index Calculator”). The construction and adoption of the regulatory system for the Index will hereinafter be called the “Nasdaq Victory Dividend Accelerator Dividend Point Index Methodology”.

The Nasdaq Victory Dividend Accelerator Index seeks to create a diversified portfolio of securities which are forecasted to grow dividends. The Index selects 75 securities from the Nasdaq US Large Mid Cap Index based on factors such as dividend growth, liquidity and other financial metrics.

The Nasdaq Victory Dividend Accelerator Dividend Point Index (“NQVDIVDVP”) is calculated as the running total of ordinary dividends paid by the constituents of the Nasdaq Victory Dividend Accelerator Index (“NQVDIV”), expressed in index points. The Index is reset to zero once a year in connection with the derivatives expiration in December. The Nasdaq Victory Dividend Accelerator Dividend Point Index is a means of tracking the dividend performance of the Nasdaq Victory Dividend Accelerator Index.

## 2. INDEX CALCULATION

### 2.1 FORMULA

The Index is calculated using the following formula:

$$I_t = \frac{\sum_{i=1}^n q_{i,t} * d_{i,t}}{IndexDivisor_t} + I_{t-1}$$

$I_t$  = Index level at time (t)

$q_{i,t}$  = Number of shares of company (i) applied in the NQVDIV Index at time (t)

$d_{i,t}$  = Ordinary dividend per share for company (i) with Ex-date at time (t)

Index Divisor = The divisor for NQVDIV Index at time (t)

### 2.1.1 DIVIDENDS

Ordinary dividends are included in the Index calculation. An extraordinary dividend is a part of the calculation only through the adjusted Index Divisor. See the '*Nasdaq Victory Dividend Accelerator Index Methodology*' for definitions of ordinary and extraordinary dividends.<sup>1</sup>

### 2.1.2 RESET OF THE INDEX VALUE

The Index value is reset to zero each year after the close on the third Friday in December, to coincide with the derivative December expiration. Consequently the index measures the total dividend points of the NQVDIV since the previous reset date.

## 2.2 OTHER ADJUSTMENTS

The Index Calculator may, with respect to adjustments, make an adjustment in circumstances other than those specified above or decide to modify a provision regarding adjustment or not to implement an adjustment.

## 3. GENERAL CORRECTION POLICY

Generally, the Index is maintained on an ongoing basis and any corporate actions are handled simultaneously as they occur, given that all necessary information is publically available. However, there may be events where there is not sufficient public information available or that the event is announced post ex-day. In such cases, the Index Calculator will decide on a case by case basis whether the event can be implemented in connection to the regularly scheduled Index reviews or if a historical correction of the affected Indexes is warranted.

Any historical correction to an Index is limited to a time frame of six (6) months prior, counting from the date where the correction is being implemented. If such a correction would occur, it will be announced according to the General Announcement Policy and new Index closing values will be provided as well as start of day and end of day Index weightings and summary report.

## 4. DISCRETIONARY ADJUSTMENTS

The Index Calculator may, due to special circumstances, if deemed essential, apply discretionary adjustments to the Index.

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<sup>1</sup> If a dividend is quoted in a different currency than the index methodology, the dividend amount will be recalculated using the t-1 WM Company Closing Spot Rate (1600 UK), where t-1 is the trading day before the Ex-day

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